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Working Draft for the Board 26 June 1953 29

SUBJECT: PROBABLE SOVIET REACTIONS TO DEVELOPMENTS IN EASTERN GERMANY (Drott for Board Consideration)

THE PROBLEM - "

To estimate probable short-term Soviet reactions, to

developments taking place in East Germany since early June 1953.

To assess the implications of such reactions to the US.

ESTIMATE

1. On 10 June the Soviet occupation authority of East

Germany, through the German Democratic Republic, announced a series of in easures which in effect reversed the program of heavy industrialization adopted by the SED in July 1952 and represented the essence of a NEP Policy. of referms which represently modified, and in some cases.

-reversely states that the reforms were probably

announced a recognition of popular dissatisfaction (ebviewely under-

probably represented a major move in the Communist political warfare although perhaps consultated important, as part of the Communist political warfare although perhaps consultated important, as part of the Communist against West German I summanust and West German integration will the rest of Western Europe. To a lesson extent these Concessions proposity effort to influence, September elections in West Germany. In the

more and a company of the second of the seco

WOULD BE CLASSIFIED

AUTH: HR 70-2

DATE: 5 FEB EL REVIEWER 018557

Approved For Release 2000/08/29 : CIA-RDP79S01011A004000090038-9 Until the very outbreak of which soon followed. disorders the GDR and the Kremlin obviously had seriously underrated the extent of popular discontent in East Germany. For this lesson, the soviet authorities probably decided against testing the reliability of German security forces and depended almost exclusively on the use of Soviet units despite inevitable unfavorable propaganda implications of such a course. molP now lace the Communists confused. typith a situation very different than that which they had led themselves to believe had existed. In estimati though the situation in East Germany is still fluid, we do not believe at recent developments have changed the twin Soviet objectives of its *Secking* by political warfare to prevent or at least to retard them Approved For Release 2000/08/29: CIA-RDP 29901011A001000090038-9

West German rearmament and the integration er (b) Maintaining effective control over secondar, recording East Germany Comments have already officially ennounced that they will not only proceed with the 10-11 ware referm process. they will bronden the scope of these The Communists probably will actually implement sug of these proposed consessions as will Require the solitevenent of heats South to see Soviet reaction to developments in East Ge withdrawal from East Germany rapid and severe satellization of this area. We believe that each of these extreme courses of action is unlikely. Sul P! of overt Soviet Forus with excellent propaganda opportunities and would probably induce

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many Western European countries to depreciate the Soviet threat with

a consequent weakening of NATO. On the other hand, recent developments

must have demonstrated to the Kremlin the weakness of the local

Communist regime and must have raised serious doubts as to the relitable of East German security elements. The Kremlin must almost ability of East German security elements. The kremlin had enter Ceytainly vecognize that the withdrawal of the computational of the computational security companies from East Germany at this time would seriously companies Soviet control Over this area. Therefore, Regardless

of the long run advantages to the USSR that might accrue from a Soviet withdrawal, East Germany's importance to the USSR is too direct and too immediate for it to risk losing effective control over this area.

Lut P

A harsh policy, such as a rapid satellization of East Germany,

might appeal to the Kremlin as a means of quickly and effectively reasserting its authority over its zone and of crushing dissidence once and for all. Moreover, such a move would serve to warn the people of the Eastern European satellites that the Communist hierarchy

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entirely inconsistent with the conciliatory line now affected by
the Kremlin throughout the world. Moreover, it would probably
increase West European determination to build up NATO and probably
even expedite the formation of EDC. It would almost certainly

adversely influence, from the Communist point of view, the September

this policy is enfitely inconsistant with the officially annunual referns elections in West Germany. Finally, in the present climate of East

Germany, such a policy could be implemented only at gunpoint and at

great economic and political sacrifices.

between these two extremes and will incorporate some elements of
each. We believe that the USSR will not risk effective control of
East Germany by failure to keep a substantial Soviet force in this
area or by failure to use this or any other instrument which may be
necessary to crush current or future disturbances.

this plane to use the USSR will probably attempt to create a
facade of order and consent in East Germany, and will vely
only when all other measures fail.

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are its

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Approved For Release 2000/08/20 DP79501011A001000000038 phrough and inded the Communists have indicated that The Will probably also expand on the 10-11 Tune victorms. They will probably also
appearance of a broader based to the East German government,
postibly)
by restricting the role of the SED and by giving
greater apparent influence to other political parties in the Factor
In terms of over-211 Soviet policy, we believe that,
5. After an interval to permit a rehabilitated East German
government to establish at least apparent stability, the USSR will
probably resume its intense propagande against West Germany
2 way from reamont and integration with western Europe. US Christian Democrate in order to defeat this party is the promper
The Communicate
fortherming West Games
fortherming West General probability of the considerably
less than it was prior to 16 June, there are still some propaganda
gambits the USSR and employ which would not only serve immediate
Soviet purposes in Germany, but possibly advance Soviet aims in Europe as a whole. Europe as a whole. A, the USSR may
Europe as a whole. Dead, the USSR may
to discuss the withdrawal of foreign forces from Germany and even the
holding of free elections. Such a suggestion to hold up son-
ference or the soviet would not obligate the Soviet
STOLOUGE OF STOLOUGH

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SECHENT

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Union to reach any agreement with the Western Powers of the issues

implicit in the Unification of farmany. We continue to believe
of troop to the Unification of farmany. We continue to be lieve
that any Soviet-initiated suggestions for troops with drawals or fixe
West dermans would be absenced to the tententiating prospect or universition
elections would contain conditions which the Kunlin would intend
if the Unacceptable to the West, or that the farmin would intend
to be unacceptable to the West, or that the farmin would intend
to prevent the implementation of agreements embodying there
proposals. The West proposed a Four Power Conference on Germany

with the to be held this summer, the Communists would lose some

propaganda advantages from not having taken the initiative on this Depending on the extent of advance commitments (e.g. the grands) and matter. would probably accept such a proposal and even indicate their willingness to discuss the withdrawal of foreign troops and In this case, tog we possibly free elections be here ARTICLE STATE OF THE STATE OF T almost containly the Soviet Union would be unwilling actually implement the withdrawal of its forces or free All-German elections. Approved For Release 2000/08/29 : CIA-RDP 79501011A00100090038-9